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FOR IMMEDIATE RELEASE
Thursday, October 30, 2008

ARIZONA MAINTAINS STRONG BOND RATINGS

PHOENIX – A good long-term economic outlook, sound financial planning and fiscal responsibility have allowed Arizona to maintain its strong bond ratings from major rating agencies even amid tumult in the bond markets, Governor Janet Napolitano announced today.

In new reports this week, Moody's has kept Arizona's bond rating at A1, while Standard & Poor's has maintained Arizona's AA- rating. A bond issued by an entity with these ratings is considered to be a safe investment. Difficult economic straits often lead rating agencies to lower bond ratings.

"In economically difficult times, Arizona's continued strong bond ratings are very good news," Governor Napolitano said. "Thanks to prudent long-term planning and fiscal responsibility, the basis of our state's finances is very sound. The ratings are also a reflection of Arizona's good economic outlook in the long term, which is something we need to remember as we plan for the future."

A bond rating is an independent assessment of whether a company or government entity is good for its debt. This assessment is critical to the ability of a government to finance its operations by issuing bonds. A poor bond rating can lead to higher interest rates for a government or to long-term budget problems.

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